



APPROVED BUDGET
FISCAL YEAR 2006 - 2007

EXECUTIVE SUMMARY

Fund Summary:

The District Budget is organized into three separate funds, each with its own revenue and expenditure accounts. The three funds are briefly described below:

- **The Operations Fund** is used for the purpose of conducting the business of the District not covered by the other two funds. The revenue sources for this fund are: permit fees, fines, state subvention, interest derived from these sources, Per Capita Assessment, and administrative fees. The Non-Tort Defense Fund is a sub-fund of the Operations Fund and is set aside for the legal defense of the District.
- **The DMV Fund** is a restricted fund that is to be used to reduce mobile source emissions and to carry out related California Clean Air Act activities, such as: air monitoring, air modeling, emission inventory assessment and identification, control strategies, air quality planning, public information, and direct incentives to reduce mobile source emissions. The DMV Fund has three sources of revenue – DMV (AB 2766 and AB 923) Fees also referred to as Vehicle Surcharge Fees, interest derived from these funds and a portion of the Placer County Planning Department application fees that offset work done by the Placer County Air Pollution Control District's Planner. This work falls under the guidelines established for the expenditures to the DMV fund and therefore the revenue from the Planning Department application fees offsets the cost of the Planner's salary to the DMV fund. In April 2005, the Vehicle Surcharge Fees were increased from \$4.00 to \$6.00 per vehicle in Placer County (AB 923 funding). The District began receiving the increase in June 2005. Additionally, a sub-fund to the DMV Fund is the Air Monitoring Fund for Union Pacific Rail Road Company (UPRR) – Roseville. This fund is for the sole purpose of monitoring for diesel particulate matter (DPM) in the air around the JR Davis Rail Yard in Roseville. The funding is separated from the rest of the DMV Fund for purposes of tracking expenditures associated with the JR Davis Rail Yard air monitoring project.
- **The Mitigation Fund** is a restricted fund that is used only for the purposes described in each individual mitigation plan. The revenue sources for this fund come from mitigation plans approved at the discretion of the Land Use Authorities. Because the District cannot predict which of these plans will be approved, the revenue for this fund is not budgeted.

Highlights:

The Approved Final Budget for Fiscal Year 2006-07 (\$4,824,724) reflects a 4.72% decrease over the Final Budget for Fiscal Year 2005-06 (\$5,063,934).¹

The District proposed a similar budget to Fiscal Year 2005-06 for several reasons; the District: (1) has moved to a new location and will be adjusting to the changes and increased costs caused by the move, (2) will be evaluating the effectiveness of the existing programs, (3) will be finalizing several large projects (the Air Monitoring project at the JR Davis Rail Yard and the Advanced Locomotive Emission Control System otherwise known as "the Hood"), and (4) will be evaluating the future needs of the District in regards to the

¹ Budget Revision #06-02 that totaled \$625,826 approved by the Board at the June 10, 2006 Board Meeting increased the Final Budget for FY2005-06 from \$4,438,108 to \$5,063,934.

functionality of the existing Staff. In Fiscal Year 2006-07, the District proposed to add another Associate Engineer in order to free up one of the air specialists for more inspections. The Associate Engineer will help with overseeing the Compliance and Enforcement Section's increased workload in the areas of investigation, enforcement and permitting of the stationary sources caused by the rapid growth of Placer County. In the past five years, the number of permitted stationary sources has almost tripled (from 220 to 647). Understandably, the number of permits has also almost tripled (from 440 to 1210).

As per past practices and budgets, the District will augment its staffing to fulfill core functions and maintain the level of service demands through the use of service contracts, and extra-help/part-time employees.

The approved Budget for Fiscal Year 2006-07 provides for the following programs and enhancements that will allow the District to continue fulfilling its mission:

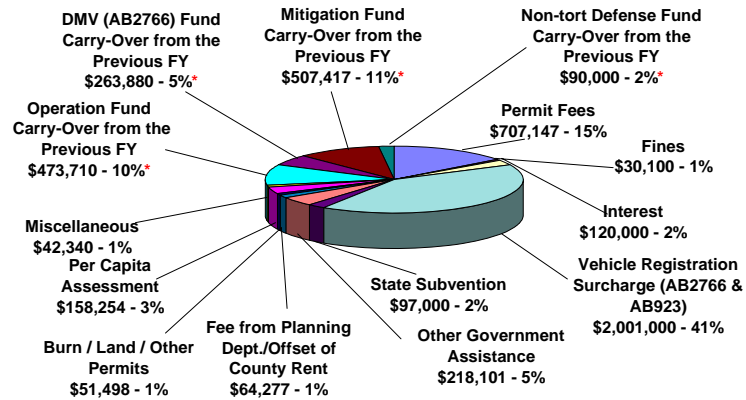
- Clean Air Grants totaling \$1,386,367 (\$112,730 from the Mitigation Fund and \$1,273,637 from the DMV Fund.)
- A full-time associate engineer, for the Compliance and Enforcement Section - \$82,017.
- Continued 1,000 hours for enforcement, investigative and public information support provided by on-call extra-help personnel - \$24,509.
- Continued 500 hours for extra-help Permitting/Inspection Specialist - \$ 10,196.
- \$55,668 commitment to the State Implementation Plan update for the 8-hour ozone attainment plan.
- Computer upgrades and Software Maintenance - \$73,168.
- Rule Development support - \$11,500.
- Indirect Source Rule Analysis/Rule development Phase II - \$30,000.
- Public information support (Ogilvy) - \$25,000.
- Public information program - \$25,000.
- Air Monitoring Projects (Roseville and Tahoe) - \$103,989.
- Air Monitoring Equipment - \$20,000.
- CAP to CAP conference - \$7,000.
- Monterey AQMD support for Air Toxics Program - \$6,000.
- Mobile Source Project Assistance (TIAX) - \$20,000.
- Air Permitting Specialist Contract - \$79,700.
- Clean Air Challenge Curriculum - \$10,000.
- Moving Expenses to the new Land Use Building - \$23,701.
- Fee Study - \$15,000.
- Compliance Stack Testing - \$20,000.
- Locomotive Emission Hood Project (ALECS) - \$20,000.
- Continued Agricultural Department Support for GDF Inspections - \$15,000
- County Services (A-87 fees) - \$104,586.
- PPEO/County Negotiated Salary and Benefits Increase - \$89,820.
- GASB 45 – Provision for Post Employment Benefits - \$33,316.
- Continued support of core functions and programs keeping with the Mission Statement of the District.
- A maintained balance in the Operations Fund. This budget maintains an Operations Fund Ending Balance of \$305,029, which is 6.32%² of the total Proposed Budget for Fiscal Year 2006-07.

² It is recommended by the National Advisory Council on State and Local Budgeting for the Government Finance Officers Association to maintain an ending balance in the operation fund of between 5 and 15% in case of any unforeseeable catastrophic event.

Approved Budget Fiscal Year 2006-07

Consolidated Funds Available for FY 2006-07 Approved Budget

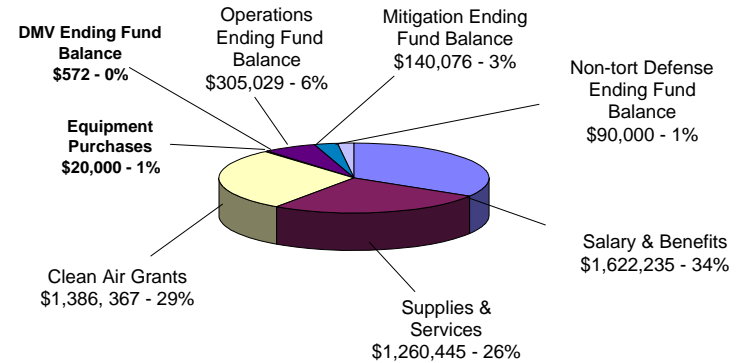
Total Funds Available -- \$4,824,724



*The total "Fund Carry-Over from the Previous Fiscal Year is \$1,335,007 (based on the Actual Revenue and Expenditures for FY 2005-06).

Consolidated Fund Usages for FY 2006-07 Approved Budget

Total Fund Usage -- \$4,824,724



**PLACER COUNTY AIR POLLUTION CONTROL DISTRICT
FY 2006-07 BUDGET SUMMARY COMPARISON
CONSOLIDATED FUND SUMMARY**

	ACTUAL CONSOLIDATED FUNDS FY 03-04	ACTUAL CONSOLIDATED FUNDS FY 04-05	ACTUAL CONSOLIDATED FUNDS FY05-06 06/30/06	APPROVED CONSOLIDATED BUDGET FY 06-07
REVENUE:				
Permit Fees	596,191	654,900	661,490	707,147
Fines	29,370	21,994	145,765	30,100
Interest	56,506	70,690	124,360	120,000
State Subvention	94,141	97,000	98,048	97,000
Other Government Assistance			71,000	
State Vehicle Surcharge Fee (AB2766 & AB923)	1,112,063	1,339,419	1,886,547	2,001,000
Burn / Land / Other	89,837	121,001	57,603	51,498
Mitigation Fees	297,527	349,390	704,742	-
Per Capita Assessment	137,800	143,830	149,250	158,254
Miscellaneous	11,014	111,766	75,170	324,718
Total Revenue:	2,424,448	2,909,991	3,973,975	3,489,717
TOTAL FUND CARRY OVER PREVIOUS FY	1,192,733	1,135,370	1,182,394	1,335,007
TOTAL FUNDS AVAILABLE	3,617,181	4,045,361	5,156,369	4,824,724
EXPENSE:				
Salary & Benefits	1,025,171	1,279,745	1,446,958	1,622,236
Supplies & Services	709,804	574,042	776,932	1,260,445
Clean Air Grants	750,000	1,050,000	1,581,472	1,386,367
Equipment			16,000	20,000
Total Expense:	2,484,975	2,903,787	3,821,362	4,289,047
Ending Fund Balance:	1,132,206	1,141,574	1,335,007	535,677
Unencumbered (encumbered) Current				-
TOTAL FUND BALANCE		1,141,574	1,335,007	535,677
Encumbered Funds (Funds already committed)	1,596,526	2,104,728	2,697,409	2,697,409
TOTAL FUND BALANCE	2,728,732	3,246,302	4,032,416	3,233,086

*The "Ending Fund Balance" for the Approved FY 2006-07 budget is the consolidated total for the following fund balances:

Unrestricted Fund	305,029
DMV (AB2766) Fund	572
Mitigation Fund	140,076
Non-tort Defense Fund	90,000
Ending Fund Balance	535,677

**The "Encumbered Funds" for the approved FY 2006-07 budget are consolidated from the following:

Unrestricted Fund	23,903
DMV (AB2766) Fund	2,264,256
Mitigation Fund	409,250
Encumbered Funds	2,697,409

Most of the encumbered funds (97.3%) are Clean Air Grants that have been awarded to Placer County recipients over the last three fiscal years. The funds have not been dispersed because the contracted clean air projects have not been completed.

PLACER COUNTY AIR POLLUTION CONTROL DISTRICT Listing of Approved Programs, Projects and District Enhancements APPROVED BUDGET FOR FY 2006-07		ENCUMBRANCE TO BE USED IN FY 2006-07
Name:	Amount	Amount
Bike to Work Week Program	\$ 800	
Breathe California - Clean Air Awards	1,000	
Temporary Help Agency	3,500	
6 PCs/Power Point Presentation Equipment	11,000	
Tahoe Inspections - NSAQMD MOU	3,220	2,380
CAP to CAP attendance - APCO and 1 director	7,000	
Spare the Air Program	10,883	
Clean Air Challenge Curriculum	10,000	
Monterey AQMD - Air Toxic Program	12,000	0
Grab Sampling (Entek)	1,330	5,670
Public Outreach/Public Relations Assistance (Ogilvy)	25,000	0
Public Outreach Clean Air Grant Promotion	10,000	
Public Outreach Compliance and Enforcement	5,000	
District Printing & Copying	10,000	
Mowdown (Mower replacement program)	5,000	
GDF Inspections - Ag Dept	15,000	
New Building Furnishings	15,000	
NOA Guidelines (Entek)		4,930
Mobile Source Project (TIAX)	20,000	13,820
Rule Development (Air Permitting Specialist Contract)	11,500	
TRPA/Tahoe Air Monitoring Project	10,000	
Tahoe / Remote Atmospheric Weather Station (RAWS)	15,000	
Land Use Tracking Database (SACOG)	25,000	
Indirect Source Rule Analysis/Rule Development PH II	30,000	15,191
State Implementation Plan Update - Participation	50,000	
Computer/Software Maintenance	44,500	
Air Monitoring Projects - Roseville (increase in Air Permitting Specialist Contract)	20,000	19,121
UPRR Data Analysis	28,487	30,515
Contractor Support for UPRR Project	28,000	14,361
Compliance Stack Testing	20,000	
Fee Study	15,000	
Locomotive Emission Hood Project	20,000	
Equipment Purchase (Air Monitoring)	20,000	
Air Permitting Specialists Contract (Operations)	79,700	15,853
New Building Administrative Support	8,701	
County IPSS (Data Processing) Charges	13,668	
County A-87 Charges	104,586	
Extra Help - Permitting/Inspection Specialist/500 hours	10,196	
Extra Help - Continuing Enforcement Specialists/750 hours	18,382	
Extra Help - Land Use/Mitigation Inspections/250 hours	6,127	
Associate Engineer (new position)	82,017	
PPEO/County Negotiated Salary and Benefits Increase	89,820	
GASB 45 - Provision for Post Employment Benefits	33,316	
Core of the Operational Budget (Minus the above projects)	1,020,629	
Core of the DMV Fund Budget (Minus the above projects and \$1,273,637 in CAGs)	682,708	
Core of the Mitigation Fund Budget (Minus the Mowdown project and \$112,000 in CAGs)	249,612	
Clean Air Grants	1,386,367	2,575,568
TOTAL	\$ 4,289,047	2,697,409